



**Addressing the Challenges of
Recovery & Rebuilding
from Hurricanes Katrina & Rita**

**LRA Board Briefing
August 10, 2006**



SUMMARY OF BRIEFING POWERPOINT

Overview of Overall Community Development Block Grants (CDBG) and Hazard Mitigation Grant Programs (HMGP)



Overview of overall CDBG and HMGP Programs

Sources and uses of funds

	CDBG (\$MM)	HMGP (\$MM)	Total (\$MM)
I. Subtotal – Road Home Program	\$ 8,080	\$ 1,170	\$ 9,250
II. Subtotal – Economic Development Program	350		\$ 350
III. Subtotal – Infrastructure & Hazard Mitigation	1,970	330	\$ 2,300
Total Budgeted Allocations of CDBG & HMGP*	\$ 10,400	\$ 1,500	\$ 11,900

* Current HMGP estimate is \$1.5B, down from original estimate of \$1.7B. If HMGP increases, Infrastructure budget increases.



The Road Home Program Budget

	CDBG (\$MM)	HMGP (\$MM)	Total (\$MM)
I. Road Home Housing Programs			
Homeowner Assistance Program	6,350	1,170	
Workforce and Affordable Rental Housing (Piggyback, Mixed Income, Small Rental, Supportive Services)	1,536		
Developer Incentives and Code Enforcement	32		
Homeless Shelter Infrastructure and Services	26		
Start up Housing Costs	18		
State Administrative Costs	121		
I. Subtotal – Road Home Program	\$ 8,080	\$ 1,170	\$ 9,250

The Road Home program and this budget have been approved by the Governor, the Legislature and the federal Department of Housing and Urban Development.

* Current HMGP estimate is \$1.5B, down from original estimate of \$1.7B. If HMGP increases, Infrastructure budget increases.



TIMETABLE FOR ROAD HOME IMPLEMENTATION

I. Road Home Housing Programs

Homeowner Assistance Program—

ICF Contract Awarded (6/06)

Pilot Program to be completed by end of August

10 Housing Assistance Centers to be open within weeks

Media campaign being launched



TIMETABLE FOR ROAD HOME IMPLEMENTATION

I. Road Home Housing Programs (Continued)

Workforce and Affordable Rental Housing

LIHTC Piggyback—OCD is implementing this program as part of the Louisiana Housing Finance Agency's 2007 and 2008 Qualified Allocation Plan for housing tax credits, which plan will be approved in September and awards made by December 2006

Small Rental Property Repair Program—ICF will manage this program. Work is underway and the program will launch within 60 days with 5 planned application rounds for landlords

Developer Incentives—LRA and OCD are working with Enterprise Partners and Local Initiatives Support Corporation on proposals

Code Enforcement—Resolution before LRA today to guide allocations

Homeless Shelter Infrastructure and Services—Programs are being developed and implemented with DSS, LRA and OCD



Economic Development Program Budgets

I. Approved Programs

CDBG (\$MM)

Louisiana Recovery Bridge Loan Program

95

II. Programs Pending Legislative Approval

Long Term Recovery Loan Guarantee Program

95

Louisiana Tourism Marketing Program

28.5

Technical Assistance to Small Firms Program

9.5

Small Firm Recovery Loan & Grant Program

38

III. Programs Under Development

Recovery Workforce Training Program

38 *

Higher Education research and education program

28.5 **

IV. Administrative Costs

17.5

Subtotal – Economic Development

\$350 million

* This program is waiting final LRA Board approval and will be considered on August 11, 2006 by the Joint Legislative Committee on the Budget

** This action in development and not yet published for public comment.

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Christina Stephens, 7/12/2006



TIMETABLE FOR ECONOMIC DEVELOPMENT PROGRAM IMPLEMENTATION

II. Economic Development Program

Louisiana Recovery Bridge Loan Program—Operational in phases since 10/05, about to relaunch with approximately \$55m additional funding

Long Term Recovery Loan Guarantee Program—Anticipating HUD approval by late August, implementation in Sept/Oct 2006

Tourism Marketing Program—Subgrantees chosen through Budgeting for Outcomes Process; awards will be made upon HUD approval of programs

Technical Assistance to Small Firms Program—Anticipating HUD approval by late August, implementation in Sept/Oct 2006

Small Firm Recovery Loan & Grant Program—Anticipating HUD approval by late August, implementation in Sept/Oct 2006

Recovery Workforce Training Program—Final approval by LRA and JLCB this week, Legislative and HUD approval anticipated by mid-Sept 06

Higher Education Research and Education program—Targeted to come for final approval of LRA by September's LRA Board meeting and approval by legislature and HUD by early October



Infrastructure Program Budgets

I. Approved Programs	CDBG (\$MM)	CDBG Admin	HMGP
Local Government Emergency Infrastructure Program	95	5	
State Buildings Match for Repairs Program	142.5	7.5	
Parish Mitigation Activities			250
Mitigation Education/Outreach and Management Costs			80
II. Programs Pending Legislative Approval			
Local Government Emergency Infrastructure Program Expansion including Ineligible Costs	300		
Primary and Secondary Education School Repairs, included in the Local Government Emergency Infrastructure Program	200		
III. Estimated Additional Repairs Needs	921.5	*	
IV. Additional Infrastructure Programs and Implementation of Parish Recovery Plans	298.5	*	
Subtotal - Allocated Infrastructure funds			\$2,300

* State admin costs for infrastructure programs are not described here as separated from these remaining totals.



ESTIMATED INFRASTRUCTURE REPAIR COSTS

Estimated Additional Needs	Estimated FEMA Match (\$MM)	Ineligible Costs (\$MM)	Totals
Local/Parish Expenses			
Local Public Building Repairs & Drainage Clearing	64		
Education - K12	95	292	
Highway System Repairs	48		
Airports	30		
Transit (Public Belt Rail, etc)	70		
Ports infrastructure	40		
Medical Center of Louisiana at New Orleans	9	291	
Fishing Industry Facilities		50	
Wastewater Treatment Facilities - Public/Private	130		
Water Wells/Aquifer Protection		7	
Public Drinking Water Systems	40		
Subtotal - Local/Parish Expenses	\$ 526	\$ 640	\$ 1,166
Current approved or proposed allocation			\$ 595
State/Other Expenses			
State Buildings – FEMA match, Mitigation, Code Comp.	\$ 150	\$ 250	
Levees - Non Federal		\$ 20	
Submerged Debris		\$ 10	
Hazard Mitigation Match	\$ 63		
Subtotal - State/Other Expenses	\$ 213	\$ 280	\$ 493
Current approved or proposed allocation			\$ 142.5
Total Estimated Repair Needs	\$ 739	\$ 920	\$ 1,659
Total approved or proposed allocations			\$ 737.5
Remaining Potential Unfunded Needs			\$ 921.5



Proposed Infrastructure Expenditures

- **Local Public Bldg/Drain Clearing:** Non-Fed match for local government building repairs and drain clearing
- **Education – K12 :** FEMA match, coverage of uninsured losses, repairs of existing damage exposed by the storm, bringing schools up to code
- **Highway System Repairs:** FEMA match for anticipated non-federal road bed damage due to inundation, match for FHWA grants for heavily affected areas (3 years)
- **Airports:** FEMA match for building damages
- **Transit:** FEMA match for losses in transit systems (buses, rail lines, etc.)
- **Ports:** FEMA match for damage of port facilities,
- **Medical Center:** LSU/VA hospital partnership
- **Fishing Industry Facilities:** repair of docks, ice houses, and other infrastructure not covered by FEMA PA (note – Recent Congressional appropriation is likely inadequate to sufficiently fund these repairs.)



Proposed Infrastructure Expenditures (cont'd)

- **Wastewater Treatment Facilities:** FEMA match for damage to equipment and collection systems, repair of underinsured, privately owned systems
- **Water Wells/Aquifer:** Plug damaged water wells to protect aquifers
- **Public Drinking Water Systems:** FEMA match, uninsured losses
- **State Buildings:** FEMA match for repairs to state buildings, and other ineligible repair costs
- **Levees – Non-Federal:** FEMA match repairs to public levees
- **Submerged Debris Removal:** Removal of debris from public water bottoms that are not included in FEMA's clearing of navigable channels (note – Recent Congressional appropriation is likely inadequate to sufficiently fund these repairs.)
- **Hazard Mitigation Match:** 25% match on previously approved HMGP funds allocated to local infrastructure. Allows local governments to move forward on HMGP projects.



Unmet Infrastructure Costs not Addressed in Repair Estimates

Potential Additional Projects	Low (\$MM)	High (\$MM)
100% State Funding of FEMA-Ineligible Repairs (wastewater, drinking water, roads, ports, etc.)	0	1,500
HANO Public Housing Rehabilitation	0	40
Assistance to Investor-owned Utility Rate Payers	0	1,200
Parish Long-Term Community Recovery Plans	0	3,000
Emergency Response - Communications	0	350
Emergency Response - Generators	0	50
Louisiana Emergency Response Network	0	7
Higher Ed Investments (research labs/infrastructure)	0	100
Transportation Projects – Evac. and Regional Priorities	0	580
Residential Lead Remediation – New Orleans	0	21
Possible Infrastructure Growth Investments (ports, etc.)	0	250
Possible Econ. Dev. Growth Investments (recruitment)	0	250
Total Potential Additional Needs	\$ 0	\$ 7,348



Process/Rationale for Allocation of Funds to Infrastructure Repair Programs

- Most of the damage estimates included in the following table still have a high degree of uncertainty due to the scale of losses and the need to begin repairs before some costs can be accurately determined.
- Repairs will take 2-4 years to perform.
- In order to avoid over-allocating the infrastructure repair programs within the Action Plan, the current Action Plan Amendment includes estimated amounts required to begin prioritized repairs over the next several months.
- Additional amounts will be added to the programs as required to meet funding needs.
- The estimate of total required funds will be updated and refined regularly, always holding back enough funds to cover the worst case estimate, until the final required amount is determined.
- Expenditures that are ineligible for PA grants will be evaluated against program needs and criteria to be established by the LRA and ranked by a grading team including officials from Executive and Legislative branches to determine eligibility under this program.



TIMETABLE FOR INFRASTRUCTURE PROGRAM IMPLEMENTATION

III. Infrastructure Program

Parish Mitigation Activities – \$236 M allocated to parishes for hazard mitigation projects and \$14M allocated for mitigation planning – 11/05, applications being submitted, money to be available 9/06 for approved applications

Local Government Emergency Infrastructure Program

– \$95M allocated for local match of FEMA PA grants - 2/06, money available 5/06

State Building Infrastructure Program – \$95M allocated - 2/06, money available 5/06

Local Government Emergency Infrastructure Program – Additional \$500M allocated to the program – 7/06 (pending legislative and HUD approval around 8/06)

School Repairs - \$200M of Local Government Infrastructure Program dedicated to School Repairs, including FEMA-ineligible repairs as allowable costs - 7/06 (pending legislative and HUD approval 8/06)